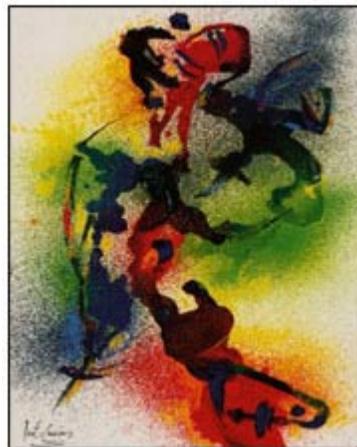


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Economic Sociology



Age, gender and internal labour market in twentieth-century Finland

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Introduction

Pat Hudson and W.R. Lee criticise approaches which focus on women's paid work undertaken outside home in the formal economy and in which work is defined 'in terms of male experience'. They argue that 'much of women's work throughout different historical periods has been concentrated outside this formal economy in the vast range of tasks surrounding home and hearth and in irregular low-status employments ...'.¹ Although their argument is by and large correct, it is also one-sided. In twentieth-century urban economies in cases of, say, women who were main or sole providers, it was as important to them as to men to earn regular and reasonable wages or salaries. In the inter-war years there was a flow of women from the traditional casual jobs to the formal economy because it offered regular earnings. On the other hand, also many men had irregular low-status jobs, so men and women may have been equally vulnerable in the labour market.

In this paper I adopt to women's work just the kind of 'male perspective' criticised by Hudson and Lee. All the women discussed in this paper were employed by the corporation under study for 20 or more years, so their accumulated work experience was on a par with that of their male work mates and colleagues. Most of them were married, but the data I have compiled so far does not suggest that marital status would have made much difference. Thus there does not seem to be weighting reasons for treating these women's full-time paid work in the formal economy as anything else than just that.

I discuss below some preliminary results on women's job tenures and their prospects in the internal labour market during the period from the 1940s to the 1980s. I focus on female clerical and manual workers and leave a comparison between male and female employees to subsequent papers. The data consist of 58 female clerical and 48 manual workers (born between 1922 and 1937) and

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¹ Pat Hudson and W.R. Lee, 'Women's work and the family economy in historical perspective', in P. Hudson and W.R. Lee (eds.), *Women's work and the family economy in historical perspective*, (Manchester 1990), 2-47, quotation 2.

employed at the Rosenlew Corporation² in the period of 1940s to 1980s. The data is compiled from two registers as they were in the mid-1980s, before the take-over of the corporation by another firm in 1987.³ In this ‘end situation’, the one register included women still employed at Rosenlew, and the other women dismissed as a consequence of a new personnel management policy. Since there was a clear difference in this respect between female clerical and manual workers, the ‘end situation’ provides the perspective from which I proceed. So the presentation starts with a discussion on ageing employees and how the corporation handled the issue at different points of time. After this I move backwards in time and follow the careers of female clerical and manual workers inside the corporation.

A theoretical frame of reference is provided by Claudia Goldin’s work on women’s paid labour in the US and Lars Svensson’s discussion on the gender gap between male and female clerical employees in Sweden in the 1930s. Though their main interest is the gender gap in earnings, they also discuss job tenures and internal labour markets.⁴

Ageing employees

The ages at which men and women have been considered ‘ageing’ or ‘old’ in the labour market has varied throughout different historical periods. Formal retirement ages are of course one way of defining ‘old’ or ‘aged’, but age limits were more vague before the introduction of old-age pension schemes. Nonetheless, it seems possible to conclude that in general in the modern labour market women have been considered too old or ageing at a younger age than men. For example, in the early 1950s experts noted, with surprise, that in many cases ‘a women’s age tells against her at 35’.⁵ On the other hand, in the course of the twentieth century female labour force grew on average older. In the case of the US, Goldin attributed this to the increased participation of older women in the labour

² Rosenlew was established in 1853 as a merchant house located in the city of Pori (in Swedish Björneborg), Finland, but grew gradually to a large manufacturing corporation with a very diversified product range (e.g. machinery, pulp and paper, sacks and other packing materials, saw mill, yeast production, power plant), even including a country estate with commercial agriculture and plant gardening.

³ The documents from which the data was compiled are in the archives of Rosenlew headquarters, in the Central Archives for Finnish Business Records (hereafter: Rosenlew pk, ELKA).

⁴ Claudia Goldin (1992), *Understanding the Gender Gap: An Economic History of American Women*, Oxford University Press, New York and Oxford; Lars Svensson (1995), ‘Befattningssegregering efter kön: Ett bidrag till förklaringen av lönegapet mellan kvinliga och manliga kontorsanställda vid mitten av 1930-talet’, *Historisk Tidskrift* (Sw.), vol. 115:3.

⁵ Pat Thane, “Old women in twentieth-century Britain”, in Lynn Botelho & Pat Thane (eds.), *Women and Ageing in British Society Since 1500*, (Essex 2001), 207-231; Marjatta Rahikainen, ‘Ageing Men and Women in the Labour Market – Continuity and Change’, *Scandinavian Journal of History*, vol. 26:4 (2001), 297-314.

force.⁶ However, since the phenomenon was present in economies as different as the US and Finland,⁷ it is certainly a very complex one.

As a large employer following a paternalistic management strategy,⁸ the Rosenlew Corporation introduced its first pension schemes for (selected) long-term employees in the late 1920s, half a century before national employee pension schemes were implemented. The ages at which Rosenlew employees were retired varied greatly. For example, the ages of the eight white-collar employees who were retired in 1945 varied between 56 and 76 years, and the ages of the 17 blue-collar employees between 53 and 79 years. Those aged over 65 years comprised a third of the employees who were retired that year. The only women among the retired was a clerical worker aged 66 years. She had worked at Rosenlew for 25 years, which was in line with men, as 18 of them had a work experience varying between 20 and 25 years.⁹ Thus Rosenlew followed the then current practice of long employment contracts and ‘lifetime jobs’, characteristic of large European firms in general. This indicated a relatively low unemployment risk for the permanently employed, so even for those past their best working years, their age became a problem only in cases of unemployment or changes of employer.

Twenty ears later, in the 1960s, when 65 years had become a standard retirement age in Finland, the managers at Rosenlew considered workers aged between 60 and 64 a problem. The staff department was commissioned in 1963 to chart possibilities to relocate such ‘old workers’ (born in 1899–1903) inside the corporation. In the corporation’s departments located in the city of Pori there were in January 1964 in all 145 old male and 44 old female manual workers (5% and 9%, respectively), as well as 37 old male and four old female clerical workers (6% and 1%). The three most common occupations of old manual workers at Rosenlew were as follows:

	male	female
cleaning workers	6	20
general hands	10	5
timberyard workers	4	6

⁶ Coldin 1992, 26.

⁷ For Finland, see Marjatta Rahikainen (2002), ‘Ikääntyvät naiset työmarkkinoilla 1900-luvulla’, *Gerontologia*, vol. 16:2, 82-91.

⁸ For Rosenlew’s earlier and later managemet policies, see Oscar Nikula (1953), *Rosenlew-koncernen: En hundraårig utveckling från handelshus till storindustri 1853–1953*, Pori, 290-313; Jukka Kohtanen and Timo Kauppinen (1987), *Työtaistelut ja neuvottelusuhteet OY W. Rosenlew AB:n Porin tehtailla vuosina 1971–84*. Työelämän suhteiden neuvottelukunta 13/1987, Helsinki.

To no surprise, in the report the report presented to the managers cleaning work was suggested a suitable alternative for old workers, whether male or female. What is more interesting is that in several departments units the productivity of old workers with long work experience was considered quite good or good enough. For example, old workers at the saw mill were considered ‘definitely good labour force’, and the five women aged between 60 and 64 who piled boards as piecework outdoors in the timberyard had proved capable of the same work presentation as the younger ones. In hindsight the most interesting aspect of the report is that all production departments save one (machinery) were prepared to and considered themselves able to relocate their own old workers within their department.¹⁰

As the global economy put heavier pressure on profitability and labour productivity, the policy of ‘lifelong jobs’ began to give way to flexible labour. As employers became concerned with the employee’s age composition, ageing became a problem for employees. The changes in the personnel policy of the Rosenlew Corporation, as in Finnish labour market policy, match neatly with this general European experience, although with some time lag.

In the 1980s paternalistic personnel policy at Rosenlew gave way to a new policy which turned old employees redundant. This was made feasible by the introduction of national unemployment pension schemes, encouraging workers to retire early and, most importantly, offering a relatively cheap way for larger employers to get rid of redundant workers. Such pension schemes had originally been introduced in 1971, but had been of little use until the eligibility age of 60 years was temporarily lowered, first to 58 in 1978 (a time of mass-unemployment) and further to 55 in 1980. After this unemployment pensions became a preferred method in larger firms by which to renew their labour force. As Guy Standing and others conclude, in Finland ‘industrial restructuring has been associated with a substitution of labour force entrants for older displaced workers’.¹¹

The Rosenlew Corporation was one of the larger employers making use of the advantageous unemployment pension schemes. Starting in 1980 and continuing until 1987,¹² a number of employees aged 54–55 or over were dismissed (Figures 1 and 2). As dismissed workers they were eligible to unemployment benefits, and within a year on average from being dismissed they became

⁹ Rosenlew pk, 04 141,2, förteckning över anställda, ELKA.

¹⁰ *Tutkimus vanhojen työntekijöitten (60 – 64-v.) uudelleensijoittamismahdollisuuksista yhtiön piirissä* (unpublished), Rosenlew pk 04 022,57, ELKA.

¹¹ Reija Lilja, Tuire Santamäki-Vuori and Guy Standing (1990), *Unemployment and labour market flexibility: Finland*, International Labour Office, Geneva, 53-61, quotation 56.

eligible to unemployment pensions, which were replaced by old-age pension as they turned 65. The corporation kept records of its former, now dismissed employees, and registered when they received a decision of having been granted unemployment pensions.¹³ Thus these dismissed employees seem to have maintained the status of being the corporation's retired employees, which brought with it several fringe benefits. What we have here are remnants of long-observed paternalistic management strategies, soon to be wiped away by new management strategies based on share-holder interests.

As a consequence of the new personnel policy, in 1987, when the corporation was taken over by another firm, there were two groups of women aged between 44 and 64 years and with 20 years or more employment at Rosenlew. The one included 56 who were still employed¹⁴ and the other 50 who were by then dismissed. Notwithstanding similarities, the two groups of women had different occupational profiles. Almost four fifths of the employed were clerical workers while almost three quarters of the dismissed were manual workers. Taken each group as such, the profiles were diametrically opposite: three quarters of female clerical workers were still employed, whereas three quarters of female manual lived on unemployment benefits or unemployment pensions.

situation in 1987	clerical workers	%	manual workers	%	total
employed	44	76	12	75	56
dismissed	14	24	36	25	50
	58	100	48	100	106

Sources: see notes 10 and 11.

The two groups of women had also different age compositions. The ages of women still employed in 1987 ranged from 44 to 64, and the ages of women the year they were dismissed from 51 to 62. What is more unexpected is that the age profiles were different right from the beginning. The average age at first recruitment of clerical workers still employed in 1987 was 19.4 years, that of women who were later dismissed 23.5 years, and the average ages at first recruitment of manual workers were 20.3 and 26.1, respectively. There was also a rising trend in the recruitment ages since the 1940s, and this was particularly clear in the case of women who later ended in the group of dismissed employees (Figures 3–6). How to explain this remains a challenge.

¹² Beginning in 1986 the eligibility age was gradually raised back to 60.

¹³ Rosenlew pk, 04 184 Henkilökortteja, sosiaaliosasto, 'Virkaillijaeläkeläiset', ELKA. See also Riita Martikainen (1987), *Teollisuustoimihenkilöt OY W.Rosenlew AB:n kemiallisessa metsäteollisuudessa Porissa*. Työelämän suhteiden neuvottelukunta 8/1987, Helsinki.

¹⁴ Rosenlew pk, 04 184 Henkilökortteja, sosiaaliosasto, 'Yli 20 vuotta palvelleet', ELKA:

Women in the internal labour market

There is a rich literature on internal labour markets, and much of it is relevant to the case of Rosenlew which by and large had the elements associated with the phenomenon. According to William A Sunstrom they are as follows: first, labour allocation takes place within the firm in the form of promotion; second, workers enjoy considerable job security and the employment relationship is often long-term; and third, the employment relationship is governed by bureaucratic rules and procedures.¹⁵ Nonetheless, at Rosenlew these three elements were more present in the case of female clerical than manual workers in my data. With few exceptions the female clerical workers (in my data) were from the beginning employed as permanent employees, whereas a clear majority of female manual workers first had short-term employment contracts and only later gained a permanent employment relationship.

Usually female manual workers had one or two short-term contracts before a more permanent one, but in particular in the saw mill and, to a lesser extent, in the commercial plant garden in Harviala women may have had as many as nine or twelve, in the extreme case 16 short-term contracts before a more permanent one. For example, Else J. (born 1925) was employed for the first time as a seasonal timberyard worker in the saw mill in 1956, and worked as a seasonal worker in subsequent years, usually from May to the mid-winter. Ten years from the first recruitment, at the age of 40, she got a new occupational title (recorder) and a permanent employment in the saw mill. In 1977 she again got a new occupational title, but this time it indicated a declining career from a skilled worker to a cleaning woman. Three years later she was dismissed, being the first case of the new system of unemployment benefit followed by unemployment pension.

A happy-end story is offered by the case of Kirsti J. (born 1923) who was at the age of 19 employed as an agricultural trainee at the Harviala country estate belonging to the Rosenlew Corporation. After the war – perhaps she had got married in mean time – she worked in the piggery for ten years. In 1960 and 1961 she was employed as a general worker at the plant garden only for the summer season. She became a general worker for the corporation's forestry unit in the spring 1964 and remained in that job for twelve years. Then, in autumn 1977, at the age of 53, she started with a wholly new occupation and a permanent employment at the administrative department of the forestry unit: she was now titled housekeeper and was still employed as such in 1987.

¹⁵ William A. Sundstrom (1988), 'Internal Labour Markets before World War I: On-the-Job Training and Employee Promotion', *Explorations in Economic History*, vol. 25:4, 424-445.

The Harviala country estate proved a good soil also for a career in clerical work. Sanelma N. (born 1929) was employed as invoice clerk for 11 months in 1952, and again for the summer 1953 and 1954. Her permanent employment relationship started in March 1955 when she became an assistant book keeper. In ten years she advanced to cashier, and in 1970 she became a chief accountant.

Other examples of women who made a career include Irma V. (born 1928) who was employed as a nurse in 1957 and advanced to company occupational nurse in chief. A typical female white-collar career was to advance from a keypunch operator to the head of the keypunch operating unit or postal service unit, or from a correspondence clerk to a traffic secretary. In rare cases a woman who started as manual worker made a career as a white-collar worker. Sirpa K. (born 1933) started at the age of 27 as a meat mill packer for eight months. A few years later she became a wages clerk at the saw mill, two years later she was an office employee, and again two years later a production-planning officer at the marketing department, and finally a production advisor.

Secretaries and foreign correspondents were offered an opportunity to professional further training. The corporation financed language courses in England and West-Germany, so Mrs. Leena V. spent in 1957 her summer holiday in a language course in London and the next year Mrs. Rauha M-K. spent her holiday in a language course in Hamburg.¹⁶ One of the secretaries participated in a commercial lecture series on 'women in business'. One cannot mistake of her own professional ambitions when she criticised the lecturers of given all too much weight to the secretary's behaviour and conduct, while far too little attention was paid to her expertness and performance.¹⁷

Many of the women included in my data made some kind of career, even if it was just from an ordinary factory worker to a foreman or at least occupation, within the corporation, and even those who did not, changed at least their occupational titles. Very few continued to work in a similar position throughout their time at the corporation, and even if they did, changes in the organisational structure of the corporation often indicated a relocation, if nothing else. It is not possible to know in which cases the initiative to change one's occupation or department came from the side of the employee, and in which cases from her superiors – although there are cases in which I am tempted to guess. Anyway, the labour histories of the women who worked for 20 years or more in the service of the Rosenlew Corporation suggest a commitment to their work and professional identities.

¹⁶ Travel reports, Rosenlew pk, 04 019.1, ELKA.

¹⁷ Inger Gylling (1956), *Rastors föreläsningssdagur Nainen liike-elämässä* (unpublished). Rosenlew pk 04 020, ELKA.

Discussion

Applying liberally Claudia Goldin's distinction between in its labour supply heterogeneous and homogenous populations,¹⁸ the employment relationships of female clerical workers at Rosenlew appear to suggest the former and those of manual workers the latter. However, female manual workers may have accumulated many years of work experience in recurrent short periods before the corporation changed their employment relationships into more permanent ones. This cannot reasonably be attributed to any special characteristics of female labour supply but was, as a rule, dictated by the seasonal character of the job itself. Log floating was highly seasonal and brought with it seasonal work for men and women in the timberyards, as did the highly seasonal agricultural and garden work.

The fact that short-term employment relations of female manual workers were later replaced by more permanent ones was probably an outcome of complex set of factors, ranging from trade unions' stronger bargaining power to the firms' efforts not to let capital investments lay idle. It seems that the internal labour market of the corporation had a role there, since a more permanent employment relationship was often associated with a new occupational title. However, for ageing manual workers an occupational decline to poorly-paid unskilled jobs, such as cleaning work, loomed larger, which never happened to clerical workers.

Unlike the Swedish female clerical workers studied by Lars Svensson,¹⁹ the female clerical workers included in my data accumulated work experiences on a par with men and had quite long-term employment relationships. They also enjoyed career prospects, but even though many of them advanced to leading positions, all of them remained within the limits of female-coded occupational categories. Among female manual workers there were some, such as the forklift operator and the crane operator, who crossed the border of gender-based occupational segregation, whereas among the female clerical workers no one violated the well-established division of labour by gender. It remains a challenge to explain the Finnish labour market in which high participation rates of women in full-time jobs in the formal economy are associated with an exceptionally strong occupational segregation by gender.

¹⁸ Golding 1992, 28-30.

¹⁹ Svensson 1995, 285.

Figure 1 Ages of female clerical workers when dismissed, by the year of becoming unemployed (N=14)

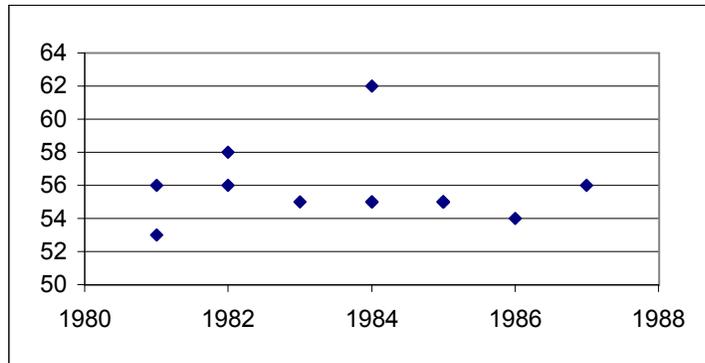


Figure 2 Ages of female manual workers when dismissed, by the year of becoming unemployed (N=36)

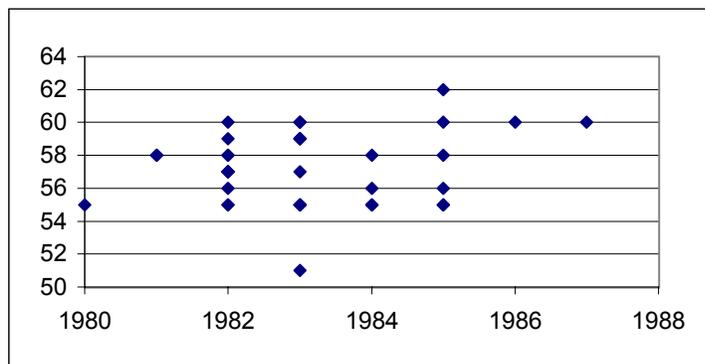


Figure 3 Recruitment age of female clerical workers who were still employed in 1987, by the year of their first recruitment

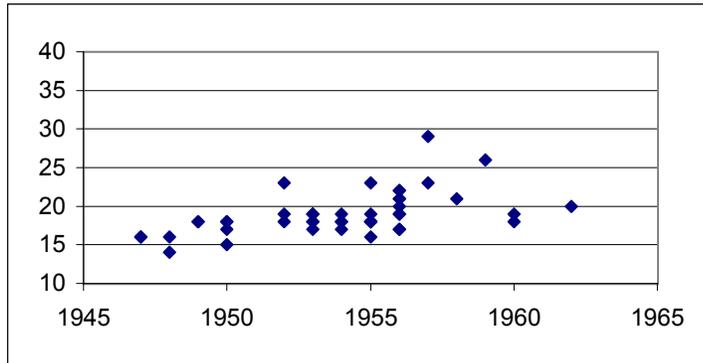


Figure 4 Recruitment age of female clerical workers who were dismissed in 1980-1987, by the year of their first recruitment

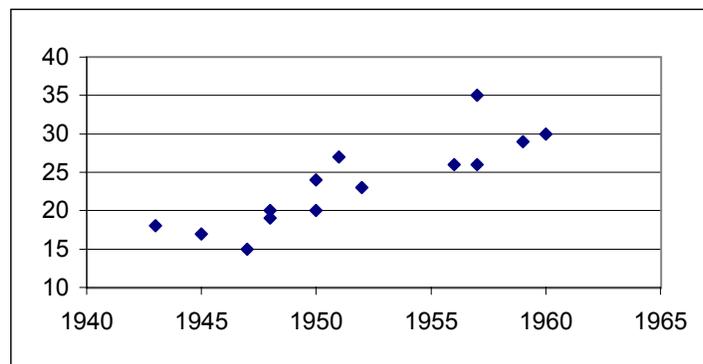


Figure 5 Recruitment age of female manual workers who were still employed in 1987, by the year of their first recruitment

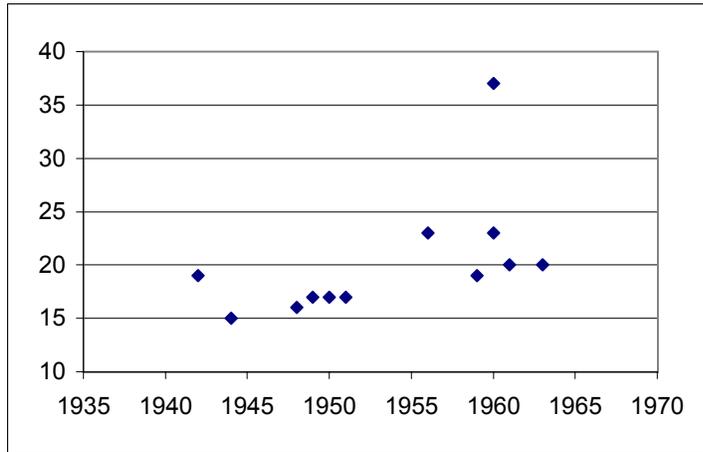
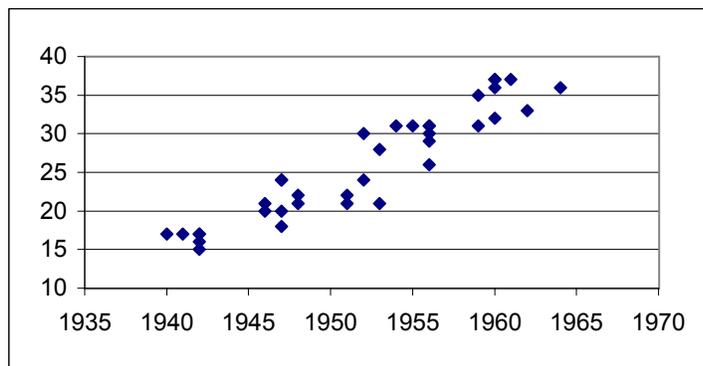


Figure 6 Recruitment age of female manual workers who were dismissed in 1980-1987, by the year of their first recruitment



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